

## **LANGDON TESTIMONY**

MICHIGAN ASSOCIATION OF RAILROAD PASSENGERS

### TESTIMONY TO THE MICHIGAN HOUSE TRANSPORTATION COMMITTEE

10:00 AM MONDAY, MARCH 22, 2010  
KALAMAZOO VALLEY COMMUNITY COLLEGE, ROOM 4370  
TEXAS TOWNSHIP CAMPUS, KALAMAZOO, MI

Chairman Byrnes and members of the committee:

Thank you for the opportunity to speak with you this morning. My name is John Langdon I am from Holland and serve on the Executive Committee of Michigan Association of Railroad Passengers. The Michigan Association of Railroad Passengers is a statewide all-volunteer organization. MARP was established in 1973 to improve and promote passenger train service, travel conditions for passengers, and to work for the preservation of historic rail stations.

MARP has not come here today to outline how the sky is falling. And I won't. That does not mean that I will avoid the difficult issues, but I will focus on our opportunities. I would like to frame this particular discussion in the positive.

This is what I plan to briefly cover this morning:

- (1) the benefits of passenger rail investments and what we as a state do well in terms of passenger rail transportation,
- (2) what our opportunities are, and
- (3) how we might maximize them.

First, the benefits of passenger rail investments and what we as a state do well.

Passenger rail is a catalyst for economic development that invariably accompanies it. Businesses near rail stations profit. Companies whose employees take transit benefit. And travelers lured to the "Pure Michigan" experience spend money with our friends and neighbors.

MDOT recently concluded that rail routes cost the state about \$7 million per year and return about \$62 million. That's a spectacular return on investment.

### **Tourism**

Passenger rail service enhances the economic and tourism benefits for Michigan. It brings people to our state to spend money – we want, and need, more of that. More routes and increased frequencies of existing routes would bring more people to the state.

### **Good infrastructure getting better**

Our three passenger rail routes operate on pretty good tracks. Our tracks from Porter, Indiana to Kalamazoo are owned by Amtrak and permit some of the fastest train speeds in the country. We have some beautiful and functional train stations that are great welcome centers to some of Michigan's cities. Jackson's train station is the oldest continually operating train station in the country.

Passenger rail service works to develop synergies with freight rail partners – when rail infrastructure is upgraded, both passenger trains and freight trains benefit. This is because freight and passenger trains share the same tracks. A freight train traveling from Wyoming to Michigan with hundreds of coal cars must pass through Chicago. An Amtrak train with three passenger cars must typically wait until a freight train passes. This delays passenger trains and makes Amtrak an inconsistent and sometimes frustrating way to travel. The good news is that this type of train congestion affecting Michigan trains will soon be a thing of the past because of ARRA HSR grants dedicated to un-corking this bottleneck.

### **Dedicated – and increasing – ridership**

Michigan has dedicated train travelers and enthusiastic supporters. The Michigan Association of Railroad Passengers works to promote Michigan's existing three train routes. We hold events at railroad stations and help make sure that Amtrak operates a clean, efficient, and customer friendly service in our state. We conduct passenger surveys and always find considerable support for train travel in Michigan.

Ridership is at historic highs. People want transportation options. People want to travel by train and a lot are doing this on Michigan's three routes. Michigan's trains carried over 400,000 passengers last year. East Lansing ridership alone has more than doubled in the past six years (from 21,914 in 2003 to more than 50,953 in 2009).

People will use trains for travel and commuting if given the opportunity. A new train stop was added this year on the Pere Marquette route in New Buffalo, MI – it was one of three new stops added nationwide – ridership at that stop increased by 61%. This confirms what happens across the country: ridership increases with increased availability and frequency. It's exciting when new train service comes to town, but what makes it **really exciting** is the economic development / tourism growth that comes with it. That's what more Michigan communities could experience with increases in routes & frequency.

### **Departmental support**

MDOT has done a pretty good job of maintaining our current passenger rail system – and even strengthening it – under the circumstances. The director of our state transportation department created an office dedicated to seizing potential opportunities such as Recovery Act funding and Public Private Partnerships. Tim Hoefner, the Administrator of this office will likely speak to his activities later this morning. This office quickly pulled together about \$1 billion in various requests in response to opportunities that arose from the ARRA (or stimulus package) – namely over \$ 8 billion in high speed rail investments.

### **Next, the opportunities**

But first, I'll quickly define High Speed Rail for this context. Regional HSR runs between 110 mph and 150 mph for distances of up to 200 miles. This is the type of service that we're talking about with the federal grants. It has more stops than Express HSR, but is still faster than air travel with the benefit of city center to city center service – with your shoes on. Express, or true, HSR is 150 mph service between points of about 400 miles apart. This service has very few stops. Express HSR could replace regional air travel – it is cheaper, faster and considerably more fuel efficient. These trains are commonly called bullet trains.

The clear growth trend across the country in transportation is passenger rail investment. This is in part because of a renewed focus on passenger rail transportation. The federal government has distributed roughly \$10 billion in the past two years (PRII, ARRA Amtrak, ARRA HSR, TIGER, etc.), with little or no state match, specifically for passenger rail improvements and most anticipate that this trend will continue. These are great opportunities, but they're not opportunities for free money. There's a catch, of course.

The Federal Rail Administration cautioned that the states that have political support (and shows it with solid funding) for existing passenger rail service and plans to expand that service are the states which will be competitive for future federal passenger rail grants.

In January President Obama announced \$8 billion in competitive grants for high-speed rail in the U.S. California got \$2 billion, Florida and Illinois each got over \$1 billion. Michigan settled for \$40 million to upgrade three train stations.

These high speed rail grants were competitive. The states that pulled in more rail funds were the ones that made investments of their own in sustaining and expanding existing passenger rail systems.

Voters in California approved a \$10 billion ballot initiative to support high speed rail. Last summer, the Illinois legislature approved \$400 million to expand the state's rail system. Florida spent more than \$500 million acquiring land to build a high speed rail line and the legislature endorsed the state's rail plan in a special session.

Last year Wisconsin spent \$47.5 million to purchase new trains from Spanish train manufacturer Talgo—who then agreed to open two new manufacturing facilities in Wisconsin. When the \$8 billion in federal money was announced, Wisconsin got \$822 million.

But while Wisconsin's governor was negotiating with Talgo, our governor was proposing a 25 percent cut in the state's passenger rail funding. While the Illinois Senate was approving that \$400 million to expand passenger rail, our senators were looking to cut rail funding in half. Ultimately, your version was adopted which cut passenger train funding by about 25%.

We missed the opportunity for significant amounts of money in the first round of ARRA HSR grants, in large part, because the state failed to demonstrate that it would fully fund our existing trains. There are two more HSR grant rounds – in order to make Michigan competitive for this grant money, the legislature must fund our current trains and

work toward expanding future investments, or we will watch more of the money we send to Washington head to other states.

There are a couple of bright spots here. Two days after the US Department of Transportation awarded ARRA HSR grants, Amtrak announced it will perform a high-speed rail improvement study, at their expense, that will focus on determining what infrastructure upgrades are needed to provide 110 mph train service on the rail corridor between Kalamazoo & Dearborn. Importantly, the information gathered from Amtrak's study can support Michigan's applications for future rounds of funding from federal intercity and high-speed rail capital improvement grant programs.

And, recently a federal TIGER grant in the amount of \$25 million was announced for the Woodward Avenue light rail project.

### **Near-Term Vision**

We handed out a map called "Michigan's Passenger Rail Opportunity, 2012." This is a near-term vision conceived of and supported by the Michigan Association of Railroad Passengers membership. The new routes (Grand Rapids to Lansing to Detroit, Grand Rapids to Kalamazoo, and Lansing to Jackson) are logical routes on existing freight rail tracks. These routes will connect Michigan's principal cities and the east and west sides of the state.

Right now, our passenger rail routes focus on Chicago – moving our citizens to Illinois' big city to spend money. Let's increase our in-state

travel options along these lines. Let's make it easier for a Grand Rapids resident to travel to Detroit to watch a game or a show; for a Lansing resident to travel to Grand Rapids; etc. Very real possible expansions beyond this map include a passenger rail route to Traverse City and Petoskey.

A very rough back-of-the-envelope calculation puts the price at about \$84 million to upgrade the existing freight tracks on these three routes.

### **How Michigan might maximize our opportunities**

Right now, you can support the Governor's recommended FY 11 budget for passenger rail which would fund our current system at \$8.667 million.

We might be able to flex ARRA funds. Oregon announced early this month that it will buy two more trains for the Cascade corridor from Talgo and bundled their order with Wisconsin's, saving \$6 million on the order. Oregon bought these trains with ARRA funds that were left over from highway construction projects where the bids came in under estimates. ODOT flexed these ARRA transportation funds to purchase trains.

The presentation included a short-term vision as to what passenger rail could look like in 2012, with your support. Now, how to pay for it (besides using General Fund money)? Here is one idea from Oregon:

## **Vanity Plates**

Oregon pays for its passenger rail system through vanity plate fees. Michigan could do this as well. In 2008 Michigan sold close to 250,000 vanity plates. If we assessed an additional \$50 per plate fee for each plate (which would bring the total voluntary vanity plate fee from \$65 to \$75 with a \$10 donation per fundraising plate) we could raise well over \$10 million per year. We could dedicate these additional funds to help pay for our current passenger rail routes and to expand our routes to include the routes we proposed today.

## **An Idea**

Why not add another train from Chicago to Kalamazoo. Amtrak could run one train out of Chicago in the evening, overnight it in Kalamazoo, and return to Chicago the next morning. A type of Regional service providing folks that work in Chicago the opportunity to live in Michigan

## **CONCLUSION**

We really are near a crossroads here. The Federal Rail Administration has made clear that the states which will be competitive for future federal passenger rail grants are those with political support for existing systems (which equals funding them) and vision for expanding those systems. We ask for your support for passenger trains.